

SENATE BILL 1175

By Berke

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 18, relative to consumer protection.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 6, is amended by adding the following language as a new, appropriately designated section:

47-18-6__.

(a) A lessor shall maintain records that establish the lessor's cost for each item of merchandise that is the subject of a rental-purchase agreement. A copy of each rental-purchase agreement, and the records required by this section, shall be maintained for at least two (2) years following the termination of the rental-purchase agreement.

(b) The maximum total of payments for any item of merchandise that is the subject of a rental-purchase agreement shall not exceed two and a half (2½) times the cash price.

(c) Upon the written request of the attorney general and reporter or the division, a lessor shall provide copies of the records described in subsection (a).

(d) In addition to any other punishment under this part, if a lessor intentionally violates this section, then the rental-purchase agreement is void, the consumer shall retain the merchandise without any further obligation to the lessor, and the lessor shall refund to the consumer all amounts paid in violation of this section.

SECTION 2. The commissioner of commerce and insurance is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 3. This act shall take effect July 1, 2011, the public welfare requiring it.